

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11  
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SILICON GRAPHICS, INC., *et al.*, : Case No. 09-\_\_\_\_\_ ( )  
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Debtors. : (Jointly Administered)  
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**NOTICE OF SALE OF ASSETS AND BID PROCEDURES**<sup>1</sup>

PLEASE TAKE NOTICE that on \_\_\_\_\_, 2009 (the “Petition Date”), Silicon Graphics, Inc. and certain of its subsidiaries and affiliates (collectively, the “Debtors”), commenced cases under chapter 11 of title 11 of the United States Code 11 U.S.C. §§ 101-1532, as amended (the “Bankruptcy Code”).

PLEASE TAKE FURTHER NOTICE that, following a motion of the Debtors (the “Sale Motion”), on \_\_\_\_\_, 2009, the Bankruptcy Court entered an order [Docket No. \_\_] (the “Bid Procedures Order”) approving Bid Procedures (the “Bid Procedures”), which set key dates, times, and procedures related to the sale of substantially of the Debtors’ assets (the “Acquired Assets”). **All interested Bidders should carefully read the Bid Procedures.** To the extent that there are any inconsistencies between the Bid Procedures and the summary description of the terms and conditions contained in this Notice, the terms of the Bid Procedures shall control.

PLEASE TAKE FURTHER NOTICE that the Debtors have been and will continue to market the Acquired Assets in advance of an auction (the “Auction”). To be eligible to participate in the Auction each Bid and each Bidder must be determined by the Debtors to comply with the conditions for a Qualified Bid set forth in the Bid Procedures. **The deadline to submit a Qualified Bid is April \_\_, 2009 (the “Bid Deadline”).** To be considered, a Bid must comply with the requirements for a Qualified Bid set forth in the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures Order, the Auction shall take place at 10:00 a.m. (prevailing Eastern time) on April \_\_, 2009, at the offices of the Debtors’ counsel, Ropes & Gray LLP, at 1211 Avenue of the Americas, New York, New York 10036, or such later time on such day or other place as the Debtors shall notify all Bidders who have submitted Qualified Bids

PLEASE TAKE FURTHER NOTICE that, by April \_\_, 2009, the Debtors shall send a notice to each counterparty to an executory contract or unexpired lease setting forth the Debtors’ calculation of the cure amount, if any, that would be owing to such counterparty if the Debtors decided to assume or assume and assign such executory contract or unexpired lease (each a

<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Bid Procedures or the Bid Procedures Order, as applicable.

“Cure Notice”). Any counterparty that objects to the amount set forth in the Cure Notice must file an objection (a “Cure Objection”) on or before 4:00 p.m. prevailing Eastern time on April \_\_, 2009, which Cure Objection must be served on (i) counsel for the Debtors, Ropes & Gray LLP, at 1211 Avenue of the Americas, New York, New York 10036, Attn: Mark R. Somerstein; (ii) counsel to the Agent for the Secured Lenders, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Thomas M. Mayer; (iii) counsel to the Buyer, Cooley Godward Kronish LLP, 101 California Street, 5th Floor, San Francisco, California 94111, Attn: J. Michael Kelly; and (iv) counsel to any statutory committees appointed in the Debtors’ chapter 11 cases (collectively, the “Service Parties”) so that it is actually received no later than 4:00 p.m. prevailing Eastern time on April \_\_, 2009. If a Contract Counterparty does not timely file and serve a Cure Objection with respect to a Cure Notice, such Contract Counterparty will be forever barred from objecting to the cure amount proposed in such Cure Notice. If a Contract Counterparty files a timely Cure Objection and the parties are unable to consensually resolve the dispute, a hearing on such Cure Objection will be held at or prior to the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that by April \_\_, 2009, the Debtors will send a notice via overnight delivery to each counterparty (each, an “Assigned Counterparty”) to a contract designated as an Assigned Contract in the Stalking Horse Agreement (a “Contract Assignment Notice”). The Contract Assignment Notice will contain (i) reasonable detail of the proposed Assigned Contract and (ii) information regarding adequate assurance of future performance by the Buyer. Any Assigned Counterparty that objects to the assignment of its Assigned Contract or to the adequate assurance of the Buyer’s ability to perform must file an objection (an “Assignment Objection”) on or before 4:00 p.m. prevailing Eastern time on April \_\_, 2008, which Assignment Objection must be served on the Service Parties so that it is actually received no later than 4:00 p.m. (prevailing Eastern time) on April \_\_, 2008. If an Assigned Counterparty does not timely file and serve an Assignment Objection, such Assigned Counterparty will be (i) forever barred from objecting to the assignment of their Assigned Contract to the Buyer; (ii) deemed to have waived all pre-Closing defaults and breaches under the Assigned Agreements; (iii) forever barred from objecting to the Buyer’s adequate assurance of future performance, and (iv) deemed to have consented, for all purposes, to the assumption and assignment of their Assigned Contracts to the Buyer. If an Assigned Counterparty files a timely Assignment Objection and the parties are unable to consensually resolve the dispute, a hearing on the Assignment Objection will be held at the Sale Hearing.

PLEASE TAKE FURTHER NOTICE that if the Buyer is not the Successful Bidder at the Auction, then no later than five (5) business days after the Auction, the Debtors will send a subsequent Contract Assignment Notice to each counterparty to a contract designated as an Assigned Contract by the Successful Bidder or the Backup Bidder identifying the Successful Bidder and the Backup Bidder and providing information regarding adequate assurance of future performance by the Successful Bidder and the Backup Bidder. The Sale Order will address the procedures by which the Debtors will assume and assign the Assigned Contracts to a Successful Bidder or Backup Bidder that is not the Buyer.

**PLEASE TAKE FURTHER NOTICE** that a hearing will be held to confirm the results of the Auction and approve the transactions contemplated in the Bid Procedures and Sale Motion to the Successful Bidder at the Auction (the “Sale Hearing”) before the Honorable \_\_\_\_\_, on **April \_\_, 2009** at \_\_\_\_\_ .m. (prevailing Eastern time), or at such time thereafter as counsel may be heard. The Sale Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than such adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served on Service Parties and the entities who have filed objections to the Bid Procedures and Sale Motion, without further notice to other parties in interest. **Objections to the sale of the Acquired Assets to the Successful Bidder or Backup Bidder must be filed and served so that they are actually received by the Debtors and the Service Parties no later than 4:00 p.m. (prevailing Eastern time) on April \_\_, 2009.**

**PLEASE TAKE FURTHER NOTICE** that this Notice is subject to the full terms and conditions of the Bid Procedures and the Bid Procedures Order, which shall control in the event of any conflict with this Notice. The Debtors encourage parties in interest to review such documents in their entirety, available (i) upon request to the Debtors’ claims and noticing agent, Donlin Recano and Company, Inc. and (ii) for a fee via PACER at <http://www.nysb.uscourts.gov/>.

Dated: New York, NY  
\_\_\_\_\_, 2009

ROPES & GRAY LLP

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